REMARKS

Claims 1-16 and 18-21 remain pending in this application. Further reconsideration is requested.

In response to the 35 U.S.C. § 112 indefiniteness rejection of the claims, claims 20 and 21 have been amended to more clearly delineate how the present invention functions when using the VWAP and SPI algorithms. Withdrawal of this ground of rejection is requested.

Claims 1-16 and 18-21 now stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,505,174 to Keiser et al. (hereinafter, "Keiser") in view of U.S. Patent No. 6,618,707 to Gary, further in view of articles identified as "ITG Spring 2000" (hereinafter the "ITG Article") and "PlexusGroup 1999." The new grounds of rejection are respectfully traversed.

Claim 1 defines a system for executing trades of securities according to predefined trading strategies. The system includes a plurality of servers connected to a plurality of clients over a communication network. Each server is programmed with a specific trading strategy algorithm and is configured to receive a request for trading a number of shares of a security and execute trade orders according to the specific trading strategy algorithm. The specific trading strategy algorithm receives a request for trading a number of shares of a particular security and generates one or more executable trade orders for carrying out the request. The executable trade orders (e.g., limit orders) are generated according to a specified trading strategy. Each client is configured to generate a request for trading a number of shares of a security and transmit the request over said communication network to a selected server of the plurality that corresponds to the selected trading strategy.

Claim 2 defines a method for executing an executable trade order for a security. The method includes a step of providing a server connected to a communication

network. The server is programmed with a specific trading strategy algorithm, which receives a non-executable request for trading a number of shares of a particular security, and generates one or more executable trade orders for carrying out the request. The one or more executable trade orders are generated according to a trading strategy (e.g., VWAP, SPI, etc.). At the server, the request for trading a number of shares of a particular security is received over a network from a customer. One or more executable trade orders for carrying out the request are generated according to actions determined by the specific trading strategy algorithm. The one or more executable trade orders are executed in a trade forum (e.g., NYSE, POSIT, ECNs, etc.) according to actions determined by the specific trading strategy algorithm.

According to the claimed invention, a number of trading strategy algorithms are provided, which can be used to carry out a request for trading a number of shares according to a desired trading strategy. The following example is provided to illustrate an embodiment of the claimed invention. A customer may make a request for buying a number of shares of IBM stock, say 5000, within 20 minutes time. The Short-term Price Improvement (SPI) strategy is ideal for performing this request. Note that the customer order is not a readily executable trade order, such as a market order or a limit order. A server of the plurality of servers can be programmed with a specific trading algorithm that is capable of generating a number of executable trade orders to carry out such a request according to the SPI strategy. An exemplary algorithm is described in detail from pages 10-19. According to the invention, the request - buy 5000 shares of IBM in 20 minutes - is received at a server programmed with a SPI algorithm, which can monitor various market factors from various trade forums and generate the appropriate

trade orders to carry out the request. The trade orders could be, for example, limit orders that are executed in a trade forum, such as the New York Stock Exchange (NYSE). As described in the specification, the trade orders may be executed in a number of trade forums or may be internally traded (e.g., claim 14).

As a result, the invention provides a significant advantage over the prior art where strategies are executed manually by human traders. Therefore, much more complex trades can be executed and a larger number of complex trades can be executed than before. Another example of trading strategy algorithm, volume weighted average price (VWAP), is described at page 6 of the present specification.

None of the cited prior art describes or suggests receiving a request from a customer for trading a number of shares of a security and implementing that request by executing trade orders according to a specific trading strategy algorithm, as defined by the claimed invention.

Keiser is directed to a system for creating and maintaining a virtual financial market. The system includes a number of functions designed to reduce the volatility of the market, such as an instrument pricing system and an instrument price control system. Keiser discloses a system for trading securities, wherein the traders enter market orders, i.e., executable orders to buy or sell certain quantities of securities at the prevailing market prices. Keiser includes a virtual specialist program that determines the price of a security based on supply and demand, but which does not receive a request for a number of shares from a customer and generate and execute trade orders according to a specific trading strategy, as set forth in claims 1 and 2 of the present invention. See col. 9, ll. 14-34; col. 11, ll. 20-39; and col. 15, ll. 25-51.

Gary merely discloses an automated exchange for matching orders, wherein large block orders may be broken down into smaller pieces. However, all orders are set up by the customer – there is no discussion or suggestion in Gary of any order being executed according to an automated trading strategy as disclosed and claimed in the present application. Consequently, no combination of Gary with Keiser could result in a system or method for executing trades of securities according to predefined trading strategies as set forth in independent claims 1 and 2.

Applicant does not claim to have invented VWAP. Accordingly, the PlexusGroup reference is irrelevant to the claimed invention. The ITG article does describe the SPI SmartServer, but does not describe a system as disclosed and claimed in the present application wherein a plurality of trading strategy servers are provided. Consequently, no combination of the PlexusGroup Article or the ITG Article with either Keiser or Gary or any purported combination of Keiser and Gary could result in the claimed invention.

Further, the ITG Article describes subject matter invented by one or more of the named inventors in the present application, and therefore does not constitute statutory prior art. Additionally, the ITG Article itself at page 3 contains a Copyright date of 2004. Thus, the Examiner has failed to establish that this article was available to the public prior to the October 31, 2000 filing date of the present application. The words "ITG Connect Spring 2000" in the upper left hand corner of page 1 of the Article do not establish any date of publication of the Article. For the foregoing reasons, it is submitted that the ITG Article cannot be applied against the claims of the present application.

Conclusion

In view of the foregoing, it is respectfully submitted that all claims pending in this application define subject matter that is patentable over the prior art of record, whether considered individually or in any combination thereof. Further and favorable reconsideration of this application, withdrawal of all outstanding grounds of rejection, and the issuance of a Notice of Allowance are earnestly solicited.

Please charge any fee or credit any overpayment pursuant to 37 CFR 1.16 or 1.17 to Deposit Account No. 02-2135.

RESPECTFULLY SUBMITTED,			
NAME AND REG. NUMBER	Vincent M. DeLuca Attorney for Applicants Registration No. 32,408	Brian A. Tollefson Attorney for Applicants Registration No. 46,338	
SIGNATURE	Vincent M DeLuca	DATE	1 JUL 04

Address	Rothwell, Figg, Ernst & Manbeck 1425 K Street, N.W., Suite 800				
City	Washington	*State*	D.C.	*Zip Code*	20005
Country	U.S.A.	*Telephone*	202-783-6040	*Fax*	202-783-6031